

MEDICAID TRANSIT PASSES

A Winning Solution for ALL

Simply issuing a tiny bus pass is translating to million dollar savings in Medicaid transportation these days...million dollar revenues for transit authorities...

and, easy access to health care for Medicaid clients.

These bus pass savings then free up state and federal funds to maintain and/or expand Medicaid services. Meanwhile, public transit agencies increase their revenues and can provide more and/or better services.

Furthermore, bus passes provide reliable and frequent rides to medical services—a boon to each client's better health maintenance that saves transportation dollars for other Medicaid uses.

**THE GOOD NEWS STORY:
million dollar revenues;
million dollar savings;
easy access to healthcare**

When appropriate, it's a matter of shifting Medicaid participants who are able to safely get to and, then, on and off a bus (some with an assistant or parent) from more costly paratransit to transit services.

Instead of paying as much as 10 times more for paratransit services, able Medicaid clients, with access to a bus route, are issued a monthly bus pass. (Paratransit provides a lift-equipped vehicle scheduled in advance to pick up passengers with special needs at a specific time and address.)

Data from 2000 reports more than 40 million persons received Medicaid services at a cost of \$126 billion. (This figure excludes such Medicaid costs as nursing homes, hospitals, physicians, prescription drugs, and home health-care which make the overall total \$258.2 billion.)

Take a look at the following numbers:

- If just 1 percent (some places report 15 percent using bus passes) of that 40 million persons (400,000) were switched to bus passes, annual Medicaid transportation savings could top \$432 million. (This is calculated at an average bus pass costing \$30 per month and a conservative estimate of four paratransit trips per month totaling \$120.)
- Projecting the long time bus pass experiences of Miami/ Dade, Florida, Medicaid agencies serving the 20 largest cities/counties in the US could reduce their paratransit costs for a national total of at least \$140 million. (See thumbnail description of Miami-Dade experience on page 4.)
- Projecting additional fares to transit agencies in these 20 largest jurisdictions at 30 percent of the savings to the Medicaid program—a figure also based on experience in Miami/Dade—transit revenues would exceed \$40 million.

Officials see these projections as just the tip of the iceberg of revenue and service possibilities. Other examples follow that show big results for Medicaid and public transit agencies, all of which add up to improved services for Medicaid clients.



Medicaid Transit Passes: A Win-Win-Win

MEDICAID AGENCY BENEFITS

- Substantially increases the cost-effectiveness of the transportation services purchased for Medicaid clients
- Maximizes the use of transportation dollars
- Generates transportation cost savings that can be applied to expanding other program areas or maintaining services during difficult budget years.
- Improves client satisfaction by providing increased transit opportunities.

MEDICAID CLIENT BENEFITS

- Increased access to health care through frequent and flexible trips
- Eliminates the need for advance scheduled reservations
- Provides greater mobility to a variety of services and fosters independence
- “Mainstreams” riders with general public instead of segregating them in paratransit vehicles
- Provides transit options that improve overall quality of life

PUBLIC TRANSPORTATION BENEFITS

- Maximizes the use of existing vehicles
- Increases revenues
- Increases ridership (when capacity is available)
- Improves/expands services

Medicaid Transportation—How Transit Passes Fit In

Persons served by the Medicaid program—certain children and adults in low income households—often lack reliable transportation. This makes it difficult for them to get the medical care they need and that is available to them through the Medicaid program.

For those who do not need emergency transportation and are able—physically and developmentally—passes on local bus systems (those with regular routes and schedules—referred to as fixed route systems or those with deviated routes which depart from their fixed route for a limited distance on request) can fill this need and make it possible to take multiple trips per month at a great savings to the Medicaid agency. (Local conditions will, however, affect specific break-even points such as the proportion of Medicaid recipients in the population, the numbers of medical trips per month required, and the local costs of monthly transit options passes.)

The former Health Care Financing Administration (HCFA), now the Centers for Medicare and Medicaid Services (CMS), noted in a December 1996 letter to State Medicaid Directors that monthly *bus pass programs can be used if they are cost-effective and appropriate to the individual's needs and personal situation.*

For clients without their own transportation, Federal regulations mandate that each State Medicaid agency must describe how they will “ensure necessary transportation for clients to and from providers.” Since each state designs and operates its own Medicaid transportation program, there are large differences in non-emergency Medicaid transportation programs among the states. The bus pass is a service-expanding, dollar-saving option to states and local governments with “fixed or deviated route” transit systems.

Medicaid: What it is; What it does

Medicaid Title XIX of the Social Security Act is a joint Federal-State matching program (a formula determines the level of federal funding in relation to each state's Medicaid expenditures) that *pays for medical assistance for certain vulnerable and needy individuals and families with low incomes and resources.* This program, known as Medicaid, became law in 1965.

Note: Medicaid is a different and separate program from Medicare.

Medicaid is one of the largest sources of funding for medical and health-related

services for America's poorest people.

Within broad national guidelines established by Federal statutes, regulations and policies, each State: 1) establishes its own eligibility standards; 2) determines the type, amount, duration, and scope of services; 3) sets the rate of payments for services; and 4) administers its own program.

A person who is eligible for Medicaid in one State might not be eligible in another State; and the services provided by one State may differ considerably in amount, duration, or scope from services provided in a similar or neighboring

State. Medicaid eligibility and/or services within a State can even change during the year.

What are Medicaid Transit Passes?

For several decades, many human service agencies, including Medicaid, have needed to provide special transportation services to their clients to get them to required destinations. These agencies have either purchased and operated their own vehicles or pur-

UNDERSTANDING THE TERMS ADMINISTRATIVE EXPENSE AND MEDICAL EXPENSE:

Most of the State Medicaid offices that use Medicaid transit passes bill the Federal Medicaid program for eligible trips as an *administrative expense...not under the medical expense category*. Billing by administrative expense allows the states to determine which transportation providers will be used. This eliminates the clients' option in the medical expense category to specify a particular transportation provider under the "freedom of choice" rules for reimbursement by the Federal government.

Selection of which transportation provider to use makes it possible to find innovative and cost saving transportation solutions such as the bus pass.

And, as many of the following examples show, innovative use of the bus pass has kept Medicaid transportation costs manageable when they could have "gone off the charts."

Medicaid Transit Pass Plans Differ

There are many different models of Medicaid Transit Pass activities. This brochure highlights the following:

Connecticut: Statewide, operated through brokered services

Florida: Countywide, administered by county governments

New York: City and county governments.

Pennsylvania: State and city-operated by a private non profit

Rhode Island: Statewide, government-operated program

Utah: Statewide; state-administered through Medicaid and brokered

Washington: Countywide, operated through a brokered system

chased transportation services from others. This approach may be costly, inefficient, and difficult to manage. States and local governments have found options that improve services and reduce cost—one of these options is the Medicaid Transit Pass.

Medicaid Transit Passes involve the local or state Medicaid Agency office (or an agency appointed or subcontracted by them) contracting with local transit agencies to purchase monthly transit passes. These transit passes are then distributed to Medicaid clients who are able to use public transportation for medical travel needs.

The State of Connecticut

\$4 Million saved on non-emergency Medicaid transportation

Fifteen percent of Connecticut's 410,000 Medicaid recipients benefited from bus pass use in 2002, saving the Connecticut Department of Social Services (DSS) nearly \$4 million in non emergency transportation costs. Initiated in 1998 by DSS, the bus pass program quickly resulted in \$3 million in transportation cost savings during its first fiscal year.

Connecticut's DSS -administered Medicaid non-emergency transportation services are targeted to persons who are not enrolled in a Medicaid Managed Care Plan and who are eligible under the state's Medicaid Programs in the department's three regions. Most clients are elderly and disabled.

Transportation brokers (brokers or brokerages contract for transportation services that may be as limited as providing the scheduling and dispatching or be a gamut of services including supplying the vehicles and their maintenance) are engaged by the state and are responsible in each of the three regions for: coordinating trips through subcontracts between the various transportation vendors and the brokers; marketing and outreach; maintaining a sufficient number of phone lines to accommodate client calls; maintaining an adequate fleet of vehicles; resolving complaints and grievances; monitoring service quality and timeliness; and complying with the department's reporting requirements.

The department pays the brokers monthly on a per person rate that which is based on competitive bidding. The three private brokerage systems currently operating in Connecticut provided 650,000 non-emergency medical trips in FY 2002 through bus passes. DSS sees benefits from this approach that include containing costs, providing multiple trips if needed, increasing hours that bus services are available to clients and a system for better oversight to avoid business fraud and abuse.

For more information contact
David Parrella, Director
Connecticut Medical Care
Administration, at
860-424-5116



Florida Counties

MIAMI DADE TRANSIT (MDT) FORMERLY MIAMI DADE TRANSIT AGENCY (MDTA)

**Medicaid saving over \$7 million annually.
Transit revenues total \$2.4 million annually.**

Prior to making bus passes available in 1993 to Medicaid eligible persons who could safely travel by bus, Florida's Metro Dade County Transit Authority (MDTA), now named Miami Dade Transit (MDT) researched the portion of those individuals who were:

- transit dependent,
- used conventional transportation for all their daily non-medical trips, and
- used door to door Medicaid paratransit trips for their medical appointments.

MDTA then compared the cost of their paratransit trips to the cost of a monthly transit Metropass, inclusive of administrative fees. It was determined that the savings would begin after the third one-way trip. The estimate proved to be reality.

To qualify for the Medicaid Metropass Program:

- A Medicaid recipient must have three or more verifiable medical appointments (6 or more round trips) a month.
- If they qualify, they will receive a monthly pass for a \$1 co-payment. The pass has unlimited trips for one month.
- To remain in the program, the Medicaid recipient must continue to have three or more verifiable medical appointments each month.

Once a person is accepted into the Medicaid Metropass Program, they are no longer in the Medicaid paratransit program (door to door service).

In the beginning, the program averaged 4,800 users per month, a figure just over one percent of the total number of Medicaid recipients in Dade County. Now, between 5,000 and 6,000 people—also just over one percent of all Dade County Medicaid recipients—use the Metropass program.

In 2002, Bus pass instead of paratransit savings for Medicaid came in at over \$600,000 per month and revenues for MDTA at \$202,000 per month. This calculates to estimated annual Medicaid savings of \$7.5 million per year and increased transit revenues of \$2.4 million.

Here are sample calculations:

- Estimated Paratransit trips for a month
54,583 @ \$15.28 per trip = \$834,028.24
- Transit Passes for one month
5,391 passes: = \$202,262
- Estimated Medicaid Savings per Month
\$834,028.24 - \$202,262 = \$631,766
- Estimated Medicaid Annual Savings
\$631,766 x 12 = \$7,581,193

- Estimated Annual Transit Revenues
 $\$202,262 \times 12 = \$2,427,144$

For more information, contact Harry Rackard, Acting Manager of Metro Dade Transit Mobility Planning at 305-637-3754.

VOLUSIA COUNTY, FLORIDA

**Pass saves Medicaid over \$200,000 per year.
Transit revenues add \$358,800 annually.**

In June 1995, the Volusia County Transit Authority (VOLTRAN), in conjunction with Florida's Agency for Health Care Administration (AHCA) implemented a bus pass program for Medicaid recipients who had a minimum of three round trips scheduled to a Medicaid service during the month. Similar to Metro Dade, an application form determines final eligibility. Volusia County, at the time of this writing, had 4,600 eligible persons. Ten percent (460) use Medicaid monthly bus passes.

Medicaid pays \$40 for VOLTRAN's Medicaid monthly pass for unlimited rides to Medicaid services on the regularly scheduled bus route. The Medicaid recipient contributes \$2.00 towards the pass. All other factors included, the average cost of a month bus pass on VOLTRAN is \$65.

A conservative estimate of three round trips per month on paratransit would cost around \$105 and would limit the recipient to those trips only. (Of course, many Medicaid clients need more than three round trips for health services.)

For more information, contact Bob Davenport, Voltran Customer Service Manager at 386-756-7496 or Bob Sharpe, Deputy Secretary, Agency for Health Care Administration at 850-488-3560.



The State of New York and its cities and counties

While most Medicaid Managed Care Plans operating in New York state do not include transportation costs, New York City and many local health services districts issue transit passes when it is determined to be appropriate and cost effective. New York City has an on line system in hospitals and clinics that issues bus passes to Medicaid clients. Following is how three counties joined efforts to control Medicaid transportation costs with bus passes and boost transit revenues to improve services:

DUO-COUNTY COORDINATION STORY

Medicaid savings nearly \$24 million over two years. Transit revenues top \$7 million over two years.

New York state's local efforts to control costs through transit pass programs date back to 1998 when the Department of Social Services (DSS) in coordination with the Capital District Transportation Authority (CDTA) established a bus token system for Medicaid recipients in three counties to reduce transportation costs. Medicaid paratransit trips by a specialized "ambulette" service had been costing \$48 per trip.

CDTA then formed ACCESS, an organization to broker (buy and arrange) transportation for Medicaid clients. Now Medicaid clients who live in Rensselaer and Schenectady Counties within three-fourths mile of a bus route and are able and need to take a bus to multiple medical appointments receive a bus pass. A five-day pass costs \$34 a month; a seven day pass costs \$42 a month. The passes can also be used for other travel needs.

Between 1998 to 2,000, CDTA buses carried a total of 218,000 Medicaid passengers. If the 218,000 Medicaid passengers had taken an average of three paratransit trips at \$48 per trip it would have cost a budget breaking \$31,392,000 over two years compared to transportation using the current five day bus pass costing \$7,412,000—a difference of nearly \$24 million or about \$12 million per year.

For more information contact Timothy Perry-Coon, New York State Department of Health Transportation Director, at 518-474-9219 or Carey Roessel, ACCESS at 518-453-8377.

Pennsylvania

The Pennsylvania Medical Assistance Transportation Program (MATP) is a county-based program utilizing local transportation providers and direct management at the local level. Directed by the Pennsylvania Department of Public Welfare, MATP is operational in 66 of the state's 67 counties.

More than 4.5 million Medicaid trips are provided each year with more than half (around 2.6 million) of those in metropolitan Philadelphia.

THE PHILADELPHIA STORY

Medicaid savings as much as \$6 million per year. Transit revenues over \$2 million per year.

WHEELS, Inc. was awarded a contract by MATP in 1995 to coordinate non-emergency trips to medical services for Philadelphia's Medicaid clients who are unable to travel any other way. This is how it works:

Operating as both a brokerage that contracts with other transit providers and a transportation provider, WHEELS directs clients (this year 3,500 clients per month or 42,000 annually) to appropriate travel services—either the fixed route transit system or a paratransit ride arranged through local subcontractors.

WHEELS totaled 2,616,855 trips in FY 2002. Half of those trips (1,308,427) are purchased from the fixed route Southeastern Pennsylvania Transit Authority (SEPTA) transit system. Some of the SEPTA trips are paid for by tokens for limited trips per month costing \$3.80 for each round trip and some are through passes at a cost of \$70 per month for clients

attending every day medical programs such as methadone clinics.

Clients pay the cost of the tokens and bus passes up front and keep the receipts. Each month clients fill out a form reporting trips and including receipts. Then WHEELS reimburses the client.

Factoring token and monthly pass use, WHEELS estimates that their average monthly reimbursement of \$53.62 to the Medicaid client would cost Pennsylvania Medicaid services an additional \$150 per month per client (or \$525,000 saved per month) if they were contracting transportation in other ways. That calculates to over \$6 million



savings to Medicaid. Multiply \$53.62 by 3,500 clients for 12 months and annual reimbursements total \$2.2 million for transit.

For more information contact Reginald Knowlton, WHEELS Executive Director, 215-563-2000 or

The state David S. Feinberg, Deputy Secretary, Medical Assistance Programs, Pennsylvania Department of Public Welfare at 717-787-1870 who can be reached.

The State of Rhode Island

Transit receives nearly \$400,000 per year for Medicaid. Medicaid savings could project as high as \$1 million per year.

Rhode Island's Department of Human Services partners with the Rhode Island Public Transit Authority (RIPTA) to provide transportation through a bus pass program for the Medicaid population. This collaboration began in 1994 when the state's health care program formed Rite Care and its transportation component Rite Share.

The Rite Share Transportation Program serves persons in households who are enrolled in the Rite Care health program. The collaboration enables household heads and their dependent children to access reliable transportation to medical services and preventive health care, including visits to doctors, hospitals and labs.

The Rhode Island Department of Human Services determines eligibility for Rite Care/Rite Share.

Eligible Rite Care members get standard RIPTA monthly bus passes at selected supermarkets throughout the State upon presentation of their Medicaid card.

RIPTA receives a \$3.14 payment per Rite Care/Rite Share enrollee (as opposed to per pass). Using November 2003 data, there were 119,441 enrollees in Rite Care/Rite Share. At \$3.14 per enrollee, this multiplies to an annual total of \$375,045 for RIPTA.

For comparison, if only 1 percent of those 119,441 enrollees made three round trips by paratransit each month at an estimated average cost of \$30 per round trip, it would cost Rite Care \$107,496 per month or \$1,289,962 per year.

The use of bus passes in Rhode Island is extensive and reaches a number of other human services programs.

For more information about Rite/Rite Care contact: Diana Beaton at Rhode Island Department of Human Services, 401-462-2188

For more information about RIPTA contact Karen Mensel, Marketing Director, 401-784-9500

The State of Utah

Medicaid saves over \$400,000 monthly with bus passes. Transit revenues average \$42,000 per month.

Utah's managed care health program serves sparsely populated areas and does not include providing transportation. So, since 2002, the Medicaid agency has administered the bus pass program and brokered transit services.

The Agency has developed a specific process for selecting the appropriate Medicaid transportation based on availability of vehicles registered to the client or a family member at the same address, availability of a public transit bus and disability level. In some areas, transportation brokers are used.

An automated eligibility system includes a category for bus passes and the authorized number of trips it will provide. This information then prompts the a pre paid bus pass to be issued and mailed along with a Medicaid identification card. The prepaid bus pass allows a maximum number of rides projected to be needed which may or may not be used. The transit company is reimbursed for the number of rides actually used.

The Utah Medicaid agency calculates that the cost of one of their bus passes averages \$1.25 per ride compared to a single taxi ride averaging \$14.23.

Officials credit the transit brokerages and bus pass programs for reducing the number of rides and miles traveled, 70 and 57 percent respectively; controlling "use and abuse" of the program.

Utah's Medicaid agency's current annual bus pass program costs slightly over \$500,000. This works out to be just about \$42,000 per month which provides 33,600 rides at an average cost of \$1.25 a ride. The same number of rides (33,600) by taxi would cost \$478,128 per month, thus saving Medicaid \$436,128 per month or \$5,233,536 year.

For more information contact Don Hawley, Medicaid Program Manager, 801-538-6483

The State of Washington

**Annual Transit revenues \$1.9 million.
Medicaid annual savings as much as \$18 million.**

Washington State's Medical Assistance Administration (MAA) has divided its services for approximately 925,000 Medicaid recipients into 13 regions. Each region has a broker that supplies Medicaid client transportation. In total, the brokers have about 150 transportation subcontracts including 26 public transit agencies that provide rides through bus passes.

MAA assures access to necessary non-emergency medical services for all Medicaid clients who have no other means of transportation. As done elsewhere, eligibility is established through an individual screening process and insures use of the most appropriate, least costly transportation for the client.

In 2002, the bus pass program provided 2.8 million trips—34 percent of them (952,000) were provided by public transit bus passes at an average of about \$2 per trip or a total of \$1,904,000. Other specialized transit services cost MAA between \$15 and 21 for a one-way trip. At \$21 per trip the cost would total \$19,992,000. Annual savings (\$19,992,000 minus \$1,904,000) equal \$18,088,000.

Washington state officials see many bus pass benefits that do not have price tags. They point out that learning to use the pass supports the goals of many human service programs, the success of which depends on clients developing independence, self sufficiency, and responsibility.

For more information contact Paul Meury, transportation program manager, medical assistance administration 360-725-131.

Research for this revised brochure was carried out by the National Consortium on the Coordination of Human Services Transportation, directed by the Community Transportation Association of America (CTAA) 1341 G Street, NW, 10th Floor, Washington, DC, 20005. The consortium represents both transit and human services non profit organizations and conducts research and provides educational activities related to coordinating human services and mobility services. The Consortium operates with the cooperation of the Department of Transportation (DOT) and the Department of Health and Human Services (DHHS). The original bus pass publication research was done by Ecosometrics Incorporated. Editing and publication of the brochure was carried out in the original and the revision by the American Public Works Association, 1401 K Street NW, 11th Floor, Washington, DC, 20005. Views and opinions expressed are not necessarily those of the researchers, editors, DOT or DHHS. Please address inquiries to the Consortium address above, phone 800-527-8279 or coordination@ctaa.org or www.ccam.org.

For more information about the Medicaid program, go to the Centers for Medicare & Medicaid Services (CMS) website at www.cms.hhs.gov

For further information on brokered transportation services for Medicaid clients, go to the Consortium on the Coordination of Human Services Transportation at coordination@ctaa.org or www.ccam.org



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